

First Vermont Bank

0-305A030

17070

RECORDATION NO. _____ FILED 1425

NOV 1 1990 - 3 00 PM

INTERSTATE COMMERCE COMMISSION

October 30, 1990

RECORDED
NOV 1 1990
INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th St. & Constitution Ave. NW Rm. 2303
Washington, DC 20423

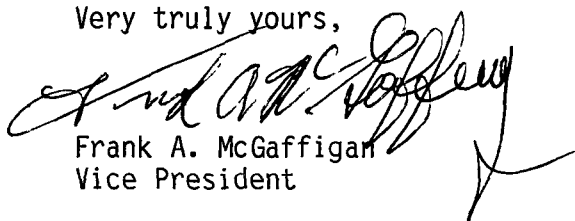
Attention: Mildred Lee

Dear Ms. Lee:

As per our telephone conversation of yesterday's date, this is to inform you that we have loaned Cheshire Railway Corporation, PO Box 498, Bellows Falls, Vermont 05101, \$16,000. We have taken a security agreement from them for a 1955 locomotive #1849, Serial #20310. You have on hand the original security agreement and a notarized copy. I am enclosing a recording fee of \$15.00.

If you need any additional information, please let me know.

Very truly yours,


Frank A. McGaffigan
Vice President

FAM/jp

Enclosure

NOV 1 3 22 PM '90

Interstate Commerce Commission
Washington, D.C. 20423

11/2/90

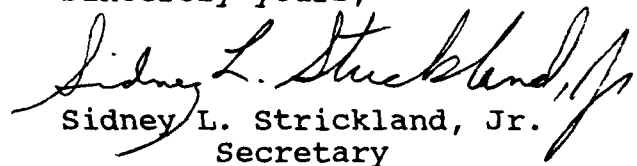
OFFICE OF THE SECRETARY

Frank A McGaffigan
Vice President
First Vermont Bank
2 Church Street
P.O.Box 689
Bellows Falls VT. 05101-0689

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/1/90 at 3:30pm , and assigned recordation number(s). 17070 & 17071

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

Security Agreement
(Chattel Mortgage)

This Agreement, made the 21st day of May 1990 under the laws of the state of Vermont

Between Cheshire Railway Corporation

herein called the Debtor

whose business address is (if none, write "none") One Main Street North Walpole, N.H. 03609

and whose residence address is

and FIRST VERMONT BANK AND TRUST COMPANY

herein called the Secured Party

whose address is 2 Church Street Bellows Falls, Vt. 05101

17070
REGISTRATION NO. _____ NEED 1425

Witnesseth:

NOV 1 1990 - 3 00 PM

To secure the payment of an indebtedness in the amount of \$ 16,000.00 with interest, payable as follows annually accrued on the unpaid principal Balance from the date of this Note. Interest shall accrue at the rate per annum which is equal to First Vermont Bank & Trust Company's Base Rate, plus 1.75% per annum, making the interest rate on this Note 12.25 % per annum commencing on the date hereof. Said interest rate is subject to increase or decrease as First Vermont Bank & Trust Company's Base Rate changes from time to time, the interest rate on this Note will change accordingly. Installments in the amount of \$981.30 on a monthly basis beginning 6/21/90 for 17 installments and a final installment of balance due plus interest. This repayment schedule is based upon a 18 month amortization. However, by a final installment balloon payment, all sums of principal and interest will be due 18 months from the date hereof. The due date of this Note will be 11/21/91.

as evidenced by a note or notes of even date herewith, and also to secure any other indebtedness or liability of the Debtor to the Secured Party direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including all future advances or loans which may be made at the option of the Secured Party, (all hereinafter called the "obligations") Debtor hereby grants and conveys to the Secured Party a security interest in, and mortgages to the Secured Party,

(a) the property described in the schedule herein (hereinafter called the collateral), which collateral the Debtor represents will be used primarily

- ☐ for personal, family or household purposes
- ☐ in farming operations
- ☒ in business or other use

(b) all property, goods and chattels of the same classes as those scheduled, acquired by the Debtor subsequent to the execution of this agreement and prior to its termination

(c) all proceeds thereof, if any,

(d) all increases, substitutions, replacements, additions and accessions thereto.

1 DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS.

PAYMENT	1a To pay and perform all of the obligations secured by this agreement according to their terms
DEFEND TITLE	1b To defend the title to the collateral against all persons and against all claims and demands whatsoever, which collateral, except for the security interest granted hereby, is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments except as may be set forth in the schedule
ASSURANCE OF TITLE	1c On demand of the secured party to do the following, furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in the collateral and pay all costs of filing in connection therewith
POSSESSION	1d To retain possession of the collateral during the existence of this agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same without the written consent of the Secured Party
LOCATION	1e To keep the collateral at the location specified in the schedule and not to remove same (except in the usual course of business for temporary periods) without the prior written consent of the Secured Party.
LIENS	1f To keep the collateral free and clear of all liens, charges, encumbrances, taxes and assessments
TAXES	1g To pay, when due, all taxes, assessments and license fees relating to the collateral
REPAIRS	1h To keep the collateral, at Debtor's own cost and expense, in good repair and condition and not to misuse, abuse, waste or allow to deteriorate except for normal wear and tear and to make same available for inspection by the Secured Party at all reasonable times
INSURANCE	1i To keep the collateral insured against loss by fire (including extended coverage), theft and other hazards as the Secured Party may require and to obtain collision insurance if applicable. Policies shall be in such form and amounts and with such companies as the Secured Party may designate. Policies shall be obtained from responsible insurers authorized to do business in this state. Certificates of insurance or policies, payable to the respective parties as their interest may appear, shall be deposited with the Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of the Debtor to do so. Debtor shall give immediate written notice to the Secured Party and to insurers of loss or damage to the collateral and shall promptly file proofs of loss with insurers. Debtor hereby appoints the Secured Party the attorney for the Debtor in obtaining, adjusting and cancelling any such insurance and endorsing settlement drafts and hereby assigns to the Secured Party all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the indebtedness

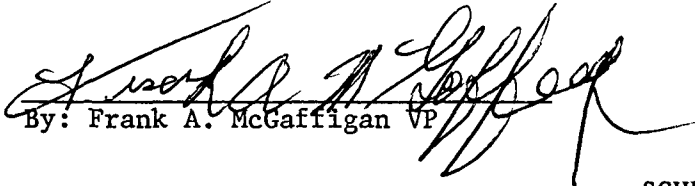
LOAN — USE OF PROCEEDS	1j If this agreement is security for a loan to be used to pay a part or all of the purchase price of the collateral, to use the proceeds of the loan to pay the purchase price, filing fees and insurance premiums The Secured Party however, may pay the proceeds directly to the seller of the collateral
CHANGE OF ADDRESS	1k To immediately notify the Secured Party in writing of any change in or discontinuance of Debtor's place or places of business and/or residence
AFFIXED TO REALTY	1l That if the collateral has been attached to or is to be attached to real estate, a description of the real estate and the name and address of the record owner is set forth in the schedule herein, if the said collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of the Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the collateral which is prior to Secured Party's interest
2 General Provisions	
NOTES	2a Notes, if any, executed in connection with this agreement, are separate instruments and may be negotiated by Secured Party without releasing Debtor, the collateral, or any guarantor or co-maker Debtor consents to any extension of time of payment If there be more than one Debtor, guarantor or co-maker of this agreement or of notes secured hereby, the obligation of all shall be primary, joint and several
NON-WAIVER	2b Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by the Debtor of any warranties or agreements in this security agreement, shall not constitute a waiver of any subsequent or other default or failure
NOTICES	2c Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing
LAW APPLICABLE	2d The Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision or this agreement.
DEFAULT	2e The following shall constitute a default by Debtor
non-payment	Failure to pay the principal or any installment of principal or of interest on the indebtedness or any notes when due
violation	Failure by Debtor to comply with or perform any provision of this agreement
misrepresentation	False or misleading representations or warranties made or given by Debtor in connection with this agreement
levy	Subjection of the collateral to levy of execution or other judicial process
insolvency	Commencement of any insolvency proceeding by or against the Debtor or of any guarantor or of surety for the Debtor's obligations
death	Death of the Debtor or of any Guarantor or of surety for the Debtor's obligations
impairment of security	Any reduction in the value of the collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligations herein
REMEDIES ON DEFAULT acceleration	2f Upon any default of the Debtor and at the option of the Secured Party, the obligations secured by this agreement shall immediately become due and payable in full without notice or demand and the Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the collateral and disposition of the proceeds as are accorded to a Secured Party by the applicable sections of the Uniform Commercial Code respecting "Default", in effect as of the date of this Security Agreement
attorneys' fees etc.	Upon any default, the Secured Party's reasonable attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the collateral shall be chargeable to the Debtor
deficiency	The Debtor shall remain liable for any deficiency resulting from a sale of the collateral and shall pay any such deficiency forthwith on demand
monies advanced	If the Debtor shall default in the performance of any of the provisions of this agreement on the Debtor's part to be performed, Secured Party may perform same for the Debtor's account and any monies expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby
SEIZURE	In conjunction with, addition to or substitution for those rights, Secured Party, at his discretion, may (1) enter upon Debtor's premises peaceably by Secured Party's own means or with legal process and take possession of the collateral, or render it unusable, or dispose of the collateral on the Debtor's premises and the Debtor agrees not to resist or interfere, (2) require Debtor to assemble the collateral and make it available to the Secured Party at a place to be designated by the Secured Party, reasonably convenient to both parties (Debtor agrees that the Secured Party's address as set forth above is a place reasonably convenient for such assembling), (3) unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of the Debtor shown above, at least three days before the time of sale or disposition.
ASSEMBLING COLLATERAL	
NOTICE OF SALE	
ASSIGNMENT	2g Secured Party may assign this agreement and if assigned the assignee shall be entitled, upon notifying the Debtor, to performance of all of Debtor's obligations and agreements hereunder and the assignee shall be entitled to all of the rights and remedies of the Secured Party hereunder. Debtor will assert no claims or defenses Debtor may have against the Secured Party against the assignee
FINANCING STATEMENT	2h The Secured Party is hereby authorized to file a Financing Statement
CAPTIONS	2i The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this agreement nor the intent of any provision thereof.

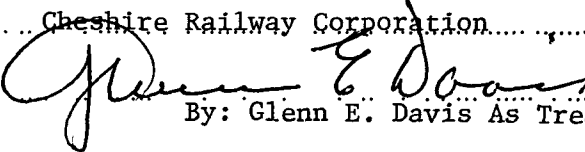
The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns

The gender and number used in this agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural

In Witness Whereof, the Parties have respectively signed and sealed these presents the day and year first above written.

First Vermont Bank & Trust Co.


By: Frank A. McGaffigan VP

Cheshire Railway Corporation.....

By: Glenn E. Davis As Treasurer

SCHEDULE

Describe items of collateral, the address where each item will be located and describe any prior liens, etc , and the amounts due thereon If items are crops or goods affixed or to be affixed to real estate describe the real estate and state the name and address of the owner of record thereof

Items	Location, etc.
1955 Locomotive #1849 Built by Electro-Motive Division, General Motors Serial #20310	North Walpole, N.H.

WAIVER BY LANDLORD AND/OR OTHERS

The undersigned, being the owner, mortgagee, landlord and/or lessor of the Debtor's premises, and knowing that the Secured Party relies hereon, does hereby waive, relinquish and release to the Secured Party or any holder of the security agreement all right of levy or distraint for rent and all other claims and demands of every kind which the undersigned has or may have against the collateral, this waiver to continue until termination of the security agreement.

WITNESS the hand and seal of the undersigned this

day of

19

.....
.....

Security Agreement
(Chattel Mortgage)

On

Dated 19

GUARANTEE

The undersigned guarantees prompt and full performance and payment according to the tenor of the within agreement, to the holder hereof, and, in the event of default, authorizes any holder hereof to proceed against the undersigned, for the full amount due including reasonable attorneys' fees, and hereby waives presentment, demand, protest, notice of protest, notice of dishonor and any and all other notices or demand of whatever character to which the undersigned might otherwise be entitled. The undersigned further consents to any extension granted by any holder and waives notice thereof. If more than one guarantor, obligation of each shall be joint and several.

WITNESS the hand and seal of the undersigned this

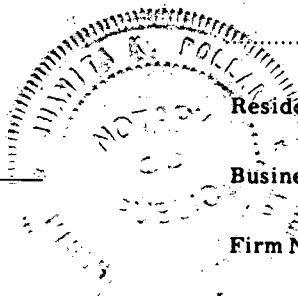
day of

19

A True Copy
Attest:

Juanita K. Pollard
Juanita K. Pollard Notary Public

MY COMMISSION EXPIRES
2-10-91



Residence (L.S.)
Business Address
Firm Name